GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1112
ANSWERED ON:04.12.2015
Banking Facilities
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Will the Minister of FINANCE be pleased to state:

(a) whether banking facilities are not adequate especially in rural/hilly/remote areas of the country, if so, the details thereof along with the norms/criteria prescribed for opening of new bank branches in the country;
(b) the number of branches of Public Sector Banks (PSBs) presently functional in the rural and urban areas in the country, bank and State-wise;
(c) the number of bank accounts opened/amount deposited in the said banks particularly in tribal areas and the number of loans sanctioned by the banks during the last three years and current year, bank and State-wise;
(d) whether banks have fixed any target for sanctioning of loans particularly in tribal and hilly areas and if so, the details thereof, bank and State-wise; and
(e) the steps taken / being taken by the Government to ensure banking facilities to each household in the country?

Answer

The Minister of State in the Ministry of Finance

(a) to (b) As per Reserve Bank of India (RBI), the number of branches of Scheduled Commercial Banks in the country as on 30th June, 2015 is 1,26,640, out of which 48,872 (38.59%) branches are in rural areas. To promote the objective of financial inclusion and to extend the banking network in unbanked areas, general permission has been granted by Reserve Bank of India (RBI) to domestic Scheduled Commercial Banks (other than Regional Rural Banks) to open branches (i) in Tier 2 to Tier 6 centres (with population upto 99,999) and (ii) in rural, semi-urban and urban centres of the North-Eastern States and Sikkim subject to reporting. RBI has advised banks that while preparing their Annual Branch Expansion Plan (ABEP), the banks should allocate at least 25 percent of the total number of branches proposed to be opened during a year in unbanked rural (Tier 5 and Tier 6) centres.

With the objective of ensuring greater financial inclusion and increasing the outreach of the banking sector, scheduled commercial banks including Regional Rural Banks (RRBs) and Local Area Banks (LABs) have been permitted to use the services of intermediaries in providing financial and banking services through the use of Business Facilitator/Business Correspondents Model.

The number of branches of Public Sector Banks presently functional in the rural and urban areas in the country, State-wise and Bank-group-wise are given in Annexure 1.

(c) to (e) In terms of RBI's guidelines on lending to priority sector, a target of 40 per cent of Adjusted Net Bank Credit (ANBC) or Credit Equivalent amount of Off-Balance Sheet Exposures (OBE), whichever is higher, as on March 31 of the previous year, has been mandated for lending to the priority sector by domestic scheduled commercial banks and foreign banks with 20 and above branches. Within this , a sub-target of 10 oer cent of ANBC or Credit Equivalent amount of OBE, whichever is higher, as on March 31 of the previous year, has been mandated for lending to weaker sections which includes, among others, persons from Scheduled Castes and Scheduled Tribes.

Pradhan Mantri Jan-Dhan Yojana, envisages universal access to banking facilities with at least one basic banking account for every household. So far 19.34 crore accounts have been opened under this Yojana and deposits of Rs.26956 crore have been mobilized. In 152 tribal districts as identified by Ministry of Tribal Affairs (MoTA), 2.18 crore accounts have been opened under this Yojna as on 28.10.2015 (1.48 crore in rural areas and 0.70 crore in urban areas) with total deposit of Rs.2275.45 crore. (Annexure 2).

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